

FISCAL NOTE

SB 3137 - HB 3197

February 27, 2002

SUMMARY OF BILL:

- Creates the Tax Structure Study Commission composed of 15 voting members and 4 non-voting members.
- Provides for the Commission to employ staff as necessary, subject to funding being provided in the general appropriations act.
- Specifies the Commission shall study the tax infrastructure in Tennessee and outlines specific topics to be studied.
- Requires the Commission to report its findings, recommendations and any proposed legislation to the Chief Clerk of the Senate and the Chief Clerk of the House of Representatives on or before June 30, 2004. Requires the commission to make itself available to provide technical advice and assistance to the general assembly and to any limited constitutional convention that may be called by the voters of Tennessee. Sunsets the commission on June 30, 2005.
- Requires the Secretary of State to publish a notice in each newspaper of general circulation a notice of the question to be placed on the November 5, 2002, ballot relative to whether or not to hold a limited constitutional convention. The purpose of the convention would be to alter, reform or abolish Article II, Sections 24, 28, 29, and 30 of the Constitution of Tennessee relative to state, county and municipal taxation and expenditures.
- If the voters authorize a limited constitutional convention call, then 27 delegates, 3 from each congressional district, would be elected by the voters of each district. The election for delegates would be held on August 5, 2004. Candidate filing deadline for the convention would be noon on March 31, 2004.
- Requires the delegates elected to serve in the limited constitutional convention call to assemble in the senate chamber at noon on August 23, 2004. The delegates would be paid per diem for each day the convention meets. Each amendment approved by the convention would have to be ratified separately by an election to be held after the final adjournment of the limited constitutional convention.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$429,200 FY 02-03
\$380,200 FY 03-04
\$380,200 FY 04-05

Estimate assumes:

- An increase in state expenditures as follows:
- FY 02-03 \$429,200 of which:
 - \$20,000 one-time in the Secretary of State's office for publishing the notice of the question regarding a limited constitutional convention. The notice must be published in each newspaper of general circulation across the state.

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- \$380,200 for personnel and operating costs of staff employed by the commission. Staff would include 5 salaried positions: 1 Executive Director, 2 Staff Attorneys, 1 Executive Assistant for Policy and Research, and 1 Administrative Assistant.
- \$29,000 one-time resulting from costs associated with procuring and set up of office space and equipment for commission staff.
- FY 03-04
\$380,200 for personnel and operating costs of staff employed by the commission. Staff would include 5 salaried positions: 1 Executive Director, 2 Staff Attorneys, 1 Executive Assistant for Policy and Research, and 1 Administrative Assistant.
- FY 04-05
- \$380,200 for personnel and operating costs of staff employed by the commission. Staff would include 5 salaried positions: 1 Executive Director, 2 Staff Attorneys, 1 Executive Assistant for Policy and Research, and 1 Administrative Assistant.
- Estimate assumes commission and staff would terminate on June 30, 2005.

For informational purposes:

- the cost to hold a constitutional convention of 27 delegates for a period of 15 days is estimated to be \$96,033. This cost includes travel reimbursement expenses for delegates, staff time, and printing costs.
- the cost to hold a statewide special election to separately ratify each amendment adopted by the constitutional convention is estimated to be approximately \$4,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director